



National Finance Center Customer Notification

Date of Notification: January 8, 2009

Subject: FEDVIP Non Deduction Problem PP23, 24, and 25– Final Update

Database/Customer(s) Affected: All Customers

Dear Customer:

The cause of the FEDVIP non deduction problem has been corrected and files have been updated correctly. The error condition existed in PP22, however, no file was submitted by BENEFEDS and nothing was processed. The FEDVIP non-deduction issue only affected employees in PP23 – PP 25.

No action is required by the agency or the employee.

To correct missed deductions, the FEDVIP program will re-adjust the payment file and allow for 'double deductions' until employees' accounts are brought up to date. For example, an employee should have had a deduction of \$20.00 for vision insurance but no deductions were made for PP 23, 24, and 25. The employee is \$60.00 behind on payments. Instead of collecting the entire amount at once, the 'double deduction' would deduct \$40.00 per pay period, applying \$20.00 to the missed payments and \$20.00 for the current pay period, until the account deductions are up to date. Then the pay period deduction returns to \$20.00.

It should be noted that this issue has no impact on ABCO, SPPS, or Manual Payments. Additionally, 2008 W-2's will reflect only the actual deductions for 2008. A list of affected employees will be distributed by your Customer Service Representative no later than Friday, January 9, 2009. BENEFEDS may have automatically issued employees a notification of direct bill. Employees impacted by this issue should disregard the letter.

If you have any questions regarding this notification, please contact the NFC's Client Management Branch at Customer.Support@usda.gov.

WB/M5-09-033/031

"Tip of the Week"

Employees claiming exemption from tax withholding for 2008 must file a new Withholding Allowance Certificate (Form W-4) for 2009. The 2008 form expires on February 16, 2009.